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New Marketing Strategy:

Acme Presents Performance Proposition To Marketplace

by Jim Curley

Among the unchallenged assumptions of the box business is that independents can't make money manufacturing brown boxes. For four decades, Bob Cohen and his company, Acme Corrugated Box, have defied the conventional wisdom as the Hatboro, Pennsylvania based corrugator plant continues to grow in the declining Philadelphia box market.

To be successful, Acme has had to be a reliable and increasingly rapid supplier of boxes, and Cohen and other members of Acme's management team have had to be nimble innovators. Earlier this year, Acme extended that innovative strategy and began a marketing program that will focus on performance-based packaging rather than the usual standards of mullen or ECT. "What do cert stamps really mean?" Cohen asks. "Implied guarantees of box performance are always there."

"Precious few box companies have engaged in branding and marketing their products," Cohen says. "Our industry is invisible and has commoditized itself because of that invisibility."

"We tell customers that we are going to approach their packaging needs differently," he adds. "We will add value to their supply chain that will make them a more profitable company," Cohen says.

Jennifer Wisniewski, Acme's Sales Development Specialist, has been charged with developing the marketing plan to move the company to performance-based packaging. This, she explains, has two strategic goals - fiber reduction and the development of new products that will optimize the company's recent

heavy investment in cutting-edge machinery. "We want to be innovative and progressive," adds Wisniewski, a five-year company veteran and a 2010 college graduate with a degree in project management.



Sales Development Specialist Jennifer Wisniewski, President Bob Cohen and General Manager John Kochie see performance packaging as a key to Acme's growth.

Acme is currently in the process of trademarking one of its products and will brand other products as they are developed, Wisniewski says. Other points of focus in these marketing efforts, she adds, include more use of social media, a marketing brochure, and web site expansion, including a web site ordering system.

"We want our customers to know who Acme is, learn why they should buy from us and see how we are making it easy for them to do business with us," Cohen says.

In addition, Acme engaged a third party telemarketer to engage companies in a specific marketplace. Acme's sales force will then follow up on qualified leads. "This industry relies on sales reps alone to get its message to customers. There's very little direct marketing," Cohen says.



Wisniewski and Cost Manager Diane M. Balkonis review one of the designs that will help Acme take cost out of packaging.

The telemarketers have already surveyed more than 200 potential customers, and have qualified 10 percent of those contacted for follow-up by Acme. "The feedback has been excellent and given us some fine qualified leads," Wisniewski says.

The new brochure, currently being developed, will focus on Acme's strengths, which include consignment, inventory reduction and shorter lead times. "We're basically creating an invitation for present and prospective customers to visit our plant," says General Manager John Kochie. "Over 90 percent of the time, once they visit our plant, they become customers."

Looking For Value

For more than a year, Acme has trained great focus on the paper it receives from mills. "We have changed our focus in purchasing paper," Cohen says. "We are now looking at where we can get the best strength characteristics and the best value from the mills."

"Price is no longer the sole criteria," adds Kochie. "Today we won't even talk with a paper supplier without testing a sample that will show the strength of their paper. If their medium will enable us to downsize the liner, price will become a secondary issue."

Kochie said that lightweight paper was all the talk at the AICC Annual Meeting in Salt Lake City last fall. "We saw a greater reception from papermakers on this issue. Suppliers realize that the issue is not going to go away." He admits that the lightweighting effort will be pulled by the big-box stores rather than be pushed by innovative boxmakers like Acme.

"Everything being equal, we want to get the best value from the mills," Cohen says. "We are focused on the structure of the box we sell, and that focus is not inherent in the brown-box business."

For the past year, Acme has done "extensive" testing at Hatboro and at independent labs of the paper it receives from its suppliers. It has also established an inbound inspection system at the plant. "We are trying to get predictability in the paper we buy so that we can achieve efficiencies in our boxmaking operations," Cohen says. Already, he adds, Acme has whittled its list of a dozen paper suppliers down to six. "And we want to lower that number," he adds.

"We continuously evaluate our suppliers and random test their products," says Wisniewski. Adds Kochie, "Good mills have been happy to give us information on specifics such as ring crush, stifi and concola, as well as informing us about their plans for future investment."



Acme staff tests linerboard coming into its facility.

As Acme begins to implement its performance based packaging initiative, it has once again adjusted its mix of containerboard coming into the corrugator plant. "Through the mid- and into the late 2000s, we were 70 percent kraft and 30 percent recycled," Cohen estimates. "When we installed the new 98-inch Fosber corrugator in 2010, that ratio was reversed." Now, with the new marketing plan in place, Acme is moving back to a heavy emphasis on kraft fiber. "Kraft performs at a higher level," Cohen adds. "It is stronger, produces better, cuts better and prints better."

"Investment in the new Fosber corrugator will really pay off when we get this program off the ground," Cohen says.

Acme attempts to marry the right paper with its high-tech converting machines and its "run to order" manufacturing philosophy. "We have five or six state-of-the-art machines," Cohen says. "We train our crews about compression. We understand the importance of

our feed rolls in the integrity of the sheet. And our operators continuously check caliper through the machine.”

“It’s also important to remember that we manufacture for immediate consumption,” he adds. “Our customers buy when they need the box, and we manufacture to their needs. The performance of the box we produce is 30-40 percent better if used immediately rather than if it sits in a warehouse for three months.”

“Eighty percent of our business has a turnaround time of three days or less,” adds Kochie.



Acme’s heavy investment in technology, including its 98-inch Fosber corrugator, has readied the company for this marketing initiative.

A New Look At Sustainability

Traditionally, you might think that using board made from virgin fiber rather than the recycled alternative might give Acme a negative rating on the sustainability issue, but Cohen insists the opposite is the case. “We’re not fighting sustainability,” he says. “There is more than one way to achieve sustainability goals. By using lightweight board with less fiber to make a performance driven box, we’re using fiber efficiently and in a sustainable manner.”

One of the “legs” of the sustainability “stool” is economics. “We’re trying to stabilize our margins in an industry that relies on paper price increases to boost box price hikes,” Kochie says. “All our other raw material prices are going up, so we’re forced to be more efficient.”

“We’re not doing this to be pioneers,” Cohen adds. “We’re just trying to address a real issue in the marketplace. Independents might have a real opportunity to grow if they can line up with the right mills on these performance issues.”

Ralph Young’s Perspective

For a number of years, Acme Corrugated has utilized the services of Ralph Young of Alternative Paper Solutions as an advisor on a range of projects such as designing equipment for its lab to helping benchmark its corrugating and converting processes.

“The folks at Acme are looking at sustainability from a different angle than the usual, but no less valid,” Young says. “They’re interested in sustainability from a perspective of cost to the customer. How can you take cost out of the system by leaving the world of ECT and mullen for box performance standards?”



Ralph Young

“There are standards for performance, but they’re hard to find. We’re performing tests to get these values so that Acme’s salespeople can talk intelligently on this,” he adds. “Independents like Acme are taking the performance message to the streets.” Young, who also serves as Technical Director for AICC, adds that the major pull for widespread acceptance of performance packaging is likely to come from big-box retailers and CPGs.

Paper strength is critical, Young says. “A lot of people make #23 medium, but not of the quality that will allow it to be used [for performance packaging]. That and the lack of significant tonnages of North American lightweight linerboard make the movement to performance based packaging a difficult one.

“There are a lot of pieces in this puzzle,” he adds, “but they’re all spread out on the table.”